



**U. S. Department of Justice**  
*United States Attorney*  
*Eastern District of Washington*

**PRESS RELEASE**

<b>FOR IMMEDIATE RELEASE</b>  MONDAY, March 13, 2006	<b>FOR INFORMATION CONTACT:</b> Thomas Rice First Assistant US Attorney (509) 353-2767
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**HUSBAND AND WIFE SENTENCED FOR DEFRAUDING STATE  
AND FEDERAL AGENCIES**

Richland – James A. McDevitt, United States Attorney for the Eastern District of Washington, announced that a former State of Washington Department of Social and Health Services (DSHS) employee and his wife were sentenced today by U.S. District Judge Lonny R. Suko.

U.S. Attorney James A. McDevitt, said, “The Defendants stole from programs designed to help those who need it the most; developmentally disabled foster care children. That will not be tolerated.” McDevitt also stated that, “This case certainly underscores the real need for thorough background checks of individuals entrusted with access to public monies.”

Arthur E. Krontz, 56, of Walla Walla, was sentenced this morning in federal court in Richland, Washington, to 46 months in federal prison, 3 years of post-release supervision, \$135,945.14 restitution and \$900 penalty assessment. Krontz had pled guilty to 9 federal felony convictions that included Conspiracy to Commit Health Care Fraud; Theft of Public Money and multiple counts of Money Laundering. His wife, Carol A. Krontz, 53, was sentenced to 30 days in jail and 1 year of post-release supervision.

Arthur Krontz committed these crimes while employed as a social worker in the DSHS Division of Developmental Disabilities - a position which he held between March 1998 and December 31, 2004, and which granted him access to the state and federal funds intended to assist developmentally disabled children in Southeastern Washington. Krontz obtained this position even though he had several prior fraud related convictions, including two 1991 State of Virginia convictions for Obtaining Money by False Pretenses and Embezzlement, and one federal conviction in 1992 for Mail Fraud and False Claims Against Health Insurance Funds in the Eastern District of Virginia.

The fraudulent scheme included Krontz using his stepdaughters' names as providers of services to children, billing the Federal Government through the State of Washington, and receiving payments for services that were never provided. Krontz was charged separately with creating a fraudulent scheme to obtain Social Security Disability payments for children not legally entitled to receive the benefits.

Krontz' wife, Carol A. Krontz, was also charged with assisting in the fraud by establishing a fraudulent bank account for a non-existent business entitled "Access for Challenged Children and Adults" through which the Krontz' laundered the proceeds of the fraud. Mrs. Krontz pled guilty to Misprision of a Felony and was sentenced to 30 days in jail, 1 year of post-release supervision, \$200 in special penalty assessments, and was ordered to pay \$126,013.14 in restitution jointly and severally with her husband. The Krontz' home in Walla Walla will be forfeited to the United States and the proceeds of its sale will be applied towards the restitution order. At the conclusion of her jail term, Mrs. Krontz, a British national who has significantly overstayed her visa waiver admission into the United States, faces deportation by the United States Immigration and Customs Enforcement.

This investigation was conducted by the U.S. Department of Health and Human Services, Office of Inspector General; the Department of Veteran Affairs, Office of Inspector General; the Social Security Administration, Office of Inspector General; the DSHS Division of Fraud Investigation, the Washington Attorney General, Medicaid Fraud Control Unit; and the United States Attorney's Office.

The case was prosecuted by AUSA K. Jill Bolton for the United States Attorney's Office, Eastern District of Washington.